

19 REPORTED BY: GINA V. CARBONE, CSR NO. 8249, RPR, CCRR

01:36:51 1 Q. Do you recognize this document?

01:36:53 2 A. Yes, I do.

01:36:55 3 Q. Is this a document that you reviewed in

01:36:56 4 preparation for your deposition?

01:36:58 5 A. No, I didn't -- oh, that I reviewed? I'm

01:37:01 6 sorry. Yes.

01:37:03 7 Q. Yes, you did review this document --

01:37:04 8 A. Yes.

01:37:04 9 Q. -- to prepare for your deposition?

01:37:06 10 A. I've seen this, yes.

01:37:09 11 Q. When was the last time you saw this document?

01:37:14 12 A. Probably when I wrote it back in 2010.

01:37:18 13 Q. You have not seen this document since learning

01:37:21 14 that you would have your deposition taken; is that

01:37:23 15 correct?

01:37:24 16 A. No.

01:37:27 17 Q. Can you tell me what this document is.

01:37:30 18 A. Yeah. This document is somewhat describing

01:37:33 19 what I've spoken about before, which is we have a group

01:37:39 20 of folks that we wanted to make sure they were able to

01:37:43 21 get their raises within the total corporate budget

01:37:46 22 allocation that we had of █ percent. And I had told you

01:37:50 23 before that some of these scales, there's like a medium,

01:37:52 24 high, and a low. So there were some situations where

01:37:55 25 people were bumping into the top of that; and,

01:37:57 1 therefore, you know, how do we handle that? Because  
01:37:59 2 sometimes it's promotion, and you want to make sure that  
01:38:02 3 all the people who are performing well get rewarded.  
01:38:05 4 And those that aren't, you know, performing well, you  
01:38:08 5 know, they get a message as well.

01:38:10 6 Q. So you're working within the corporate  
01:38:12 7 guidelines to achieve those goals?

01:38:14 8 A. No. What I'm working with is a budget of  
01:38:16 9 █ percent against our total budget of compensation.

01:38:21 10 Q. What do you mean by "a budget of █ percent"?

01:38:23 11 A. The way that we look at it is if you have your  
01:38:26 12 total payroll to your organization, that for this  
01:38:30 13 budgeting cycle, you could allocate █ percent of -- you  
01:38:33 14 know, █ percent of that to raises and, basically, you  
01:38:37 15 know, adjustments in compensation based on performance  
01:38:39 16 of the employees.

01:38:42 17 Q. Let me back up.

01:38:43 18 You recognize that this is an email from you to  
01:38:47 19 Philip Shoemaker; is that correct?

01:38:49 20 A. It's not Philip Shoemaker.

01:38:51 21 Q. Oh.

01:38:53 22 A. Oh, yes, I'm sorry, at the very top. Yes.

01:38:56 23 Q. Okay. So there are two emails, one is  
01:38:58 24 forwarded, and the top email you recognize to be an  
01:39:00 25 email from you to Phillip Shoemaker; is that correct?

01:39:03 1 A. Yes.

01:39:04 2 Q. And the second email in the chain is from Phil

01:39:09 3 Schiller to you with Paige Riveron --

01:39:15 4 Is that how you pronounce her name?

01:39:17 5 A. Riveron.

01:39:18 6 Q. -- Riveron, excuse me, copied on it; is that

01:39:21 7 accurate?

01:39:21 8 A. Yes.

01:39:22 9 Q. And at the top of the document, do you see your

01:39:23 10 name in the to line -- in the from line, excuse me?

01:39:25 11 A. Yes.

01:39:26 12 Q. And following your name is an email address.

01:39:28 13 Do you see that?

01:39:30 14 A. Yes.

01:39:30 15 Q. And is that the email address that you use at

01:39:33 16 Apple?

01:39:34 17 A. Yes. That's my corporate email address.

01:39:38 18 Q. That's the email address that you use to send

01:39:41 19 and receive emails?

01:39:42 20 A. Yes.

01:39:42 21 Q. And do you send and receive emails in the

01:39:45 22 ordinary course of business?

01:39:46 23 A. Yes.

01:39:49 24 Q. Has your email address changed since you've

01:39:52 25 been at Apple?

01:39:53 1 A. No.

01:39:59 2 Q. Who's Phillip Shoemaker?

01:40:01 3 A. Phillip Shoemaker is one of my direct reports

01:40:03 4 who handles part of the team.

01:40:05 5 Q. What's his job title?

01:40:07 6 A. Director of app review.

01:40:11 7 Q. And do you recognize that to be his email

01:40:13 8 address?

01:40:13 9 A. Yes.

01:40:16 10 Q. In the to line, excuse me.

01:40:18 11 A. Yes.

01:40:20 12 Q. Who is Paige Riveron?

01:40:24 13 A. Paige Riveron is one of the folks in our HR

01:40:28 14 team.

01:40:29 15 Q. And then there is a third email in the chain

01:40:37 16 that it looks like you sent on September 14th, 2010, at

01:40:41 17 3:06 p.m., and it looks like it's from you to Phil

01:40:44 18 Schiller; is that accurate?

01:40:50 19 A. Yes, that's what it appears to be.

01:41:00 20 Q. And in the email, the bottom email on this

01:41:03 21 page, you say, "All teams are using the corporate

01:41:07 22 guidelines of [REDACTED] percent for their teams based on

01:41:10 23 performance and salary range."

01:41:11 24 Do you see that?

01:41:12 25 A. Yes.

01:41:13 1 Q. And does that accurately describe the process  
01:41:15 2 you were just telling me?

01:41:18 3 MR. RILEY: Objection to the form of the  
01:41:19 4 question.

01:41:19 5 THE WITNESS: Yes. What -- what it means is,  
01:41:22 6 is that again, I told you that it was a budget -- that  
01:41:25 7 there was a budget allocation. That budget allocation  
01:41:28 8 is █ percent.

01:41:30 9 MS. SCHALMAN-BERGEN: Q. And -- strike  
01:41:35 10 that.

01:41:36 11 When you say "all teams," who were you  
01:41:38 12 referring to?

01:41:45 13 A. This far back, I can't recall what I -- who I  
01:41:48 14 was referring to in the all teams.

01:41:54 15 Q. When you say, "All teams are using the  
01:41:57 16 corporate guidelines of █ percent based on performance  
01:41:59 17 and salary range," for the salary range, you're  
01:42:02 18 discussing the min and max that Apple guidelines  
01:42:06 19 prescribe for job titles; is that accurate?

01:42:08 20 MR. RILEY: Objection to the form.

01:42:10 21 THE WITNESS: What I'm describing in salary  
01:42:12 22 range is what is the appropriate range based on job  
01:42:14 23 title.

01:42:17 24 MS. SCHALMAN-BERGEN: Q. The next sentence  
01:42:18 25 you say, "An important consideration is that folks

01:42:20 1 who are at the top of their salary range wouldn't  
01:42:23 2 get merit raises."

01:42:25 3 Do you see that?

01:42:26 4 A. Yes.

01:42:26 5 Q. What did you mean by that?

01:42:28 6 A. There are some people who may have come in and  
01:42:30 7 who may have ultimately have gotten to the top of their  
01:42:33 8 salary range. And for them to be able to, you know --  
01:42:37 9 these are the case of only the top performers. If our  
01:42:40 10 top performers came in and they're near the top of their  
01:42:43 11 range, in order for them to be able to get a merit  
01:42:47 12 raise, they would actually be outside of that range.

01:42:50 13 And so the question is, when that happens, what  
01:42:54 14 do you do? Sometimes you promote the people because in  
01:42:57 15 some cases because of their performance we've shown that  
01:43:00 16 they're people who need to get promoted to the next  
01:43:03 17 level. And in some cases, it's a little bit more  
01:43:05 18 difficult when that promotion takes them into a range,  
01:43:08 19 for example, of directly managing people and these may  
01:43:11 20 be individual contributor jobs.

01:43:15 21 Q. So you would -- in this email, are you saying  
01:43:17 22 that they wouldn't be able to get merit ranges  
01:43:19 23 [verbatim] without making one of those exceptions you  
01:43:21 24 discussed because they're already at the top of their  
01:43:24 25 salary range?

01:43:25 1 MR. RILEY: Object to the form.

01:43:29 2 THE WITNESS: What I'm describing here is that

01:43:30 3 we had some performers who were doing really well. And

01:43:32 4 if they're near or at the top of their range, we wanted

01:43:35 5 to make sure, as I said before, that in this process of

01:43:38 6 the merit increases that they got the message that

01:43:41 7 they're being appreciated and that, you know, we -- we

01:43:44 8 value their work. And so, again, as I said here, is

01:43:47 9 that there would be some people near the top, and then

01:43:50 10 given the description of that range that we have, you

01:43:53 11 know, it would become difficult.

01:43:55 12 MS. SCHALMAN-BERGEN: Q. Because that's a

01:43:57 13 rigid range that Apple sets; is that accurate?

01:44:00 14 MR. RILEY: Object to the form of the question.

01:44:01 15 THE WITNESS: Again, you know, how rigid it is,

01:44:03 16 I don't know, but it's basically the guide -- not the

01:44:07 17 guidelines, but it's the ranges that we work with.

01:44:10 18 MS. SCHALMAN-BERGEN: Q. Down -- if you go

01:44:12 19 down to the two paragraphs, at the end of the second

01:44:17 20 paragraph up, you say, "Award bonuses on an

01:44:21 21 individual basis as well depending on performance."

01:44:23 22 And then you say, "Bonuses at amounts equitable to

01:44:27 23 the rest of the DR team."

01:44:29 24 Do you see that?

01:44:30 25 A. Uh-huh.

01:52:30 1                   THE WITNESS: Yes. I wouldn't -- I wouldn't  
01:52:31 2 know based on what somebody would think.

01:52:35 3                   MS. SCHALMAN-BERGEN: Q. Well, you're a  
01:52:36 4 manager --

01:52:36 5                   A. Uh-huh.

01:52:36 6                   Q. -- so you're -- in this email, you're --

01:52:39 7                   A. Uh-huh.

01:52:39 8                   Q. -- you're here saying bonuses should be at  
01:52:42 9 amounts equitable to the rest of the team. So I'm just

01:52:45 10 trying to get at what you mean by that. You know, in  
01:52:47 11 your experience, is it important that people are

01:52:50 12 receiving compensation at the level that is appropriate?

01:52:53 13 And if compensation is off, does that affect  
01:52:58 14 productivity?

01:52:59 15                   MR. RILEY: Objection. It's a multiple  
01:53:00 16 compound question, misstates the document and prior  
01:53:04 17 testimony.

01:53:04 18                   THE WITNESS: Okay. First question. Instead  
01:53:05 19 of many questions, can you start with the first question  
01:53:08 20 in that chain?

01:53:10 21                   MS. SCHALMAN-BERGEN: Q. Sure.

01:53:12 22                   If compensation is inequitable between a  
01:53:16 23 range --

01:53:16 24                   A. Uh-huh.

01:53:16 25                   Q. -- in your experience as a manager, would that

01:53:18 1 impact the productivity of employees?

01:53:21 2 MR. RILEY: Object to the form of the question.

01:53:23 3 THE WITNESS: Again, it's speculative whether

01:53:25 4 it would impact the productivity or not. I mean, people

01:53:28 5 are different.

01:53:28 6 MS. SCHALMAN-BERGEN: Q. Is equitable

01:53:31 7 compensation something that you consider when making

01:53:34 8 management decisions about salaries?

01:53:37 9 MR. RILEY: Object to the form of the question.

01:53:39 10 THE WITNESS: Well, again, what we take a look

01:53:41 11 at, going back to what we've been discussing, is we make

01:53:44 12 sure that the compensation that we provide people at

01:53:46 13 positions is within the ranges that we discuss. And,

01:53:50 14 again, there's variability in that range based on

01:53:53 15 performance.

01:53:59 16 MS. SCHALMAN-BERGEN: Q. And would you

01:53:59 17 agree that it's important, generally, to hire within

01:54:02 18 a salary range to preserve equity between employees

01:54:06 19 performing similar jobs?

01:54:08 20 MR. RILEY: Objection to the form of the

01:54:08 21 question.

01:54:10 22 THE WITNESS: I believe that you take a look at

01:54:12 23 the job opening that we have, the position that we hire

01:54:15 24 for, and, again, you look for people who are best fit

01:54:18 25 for the job. And that is defined -- the pay scale is

01:54:24 1 going to be defined on what that job is.

01:54:29 2 MS. SCHALMAN-BERGEN: Q. I'm not sure you

01:54:29 3 answered my question. Can we try one more time?

01:54:31 4 A. Sure.

01:54:32 5 MS. SCHALMAN-BERGEN: Can you read that back.

01:54:45 6 (Record read as follows: And would you agree

01:54:45 7 that it's important, generally, to hire within

01:54:45 8 a salary range to preserve equity between

01:54:45 9 employees performing similar jobs?)

01:54:47 10 MR. RILEY: Object to the form of the question.

01:54:51 11 THE WITNESS: I think I did answer it, is that

01:54:53 12 we have position descriptions, and within that position

01:54:57 13 description, there is a salary range. And we bring in

01:55:01 14 the person against that position based on the best

01:55:04 15 qualified candidate, and it should fit within that

01:55:08 16 range; otherwise, we haven't scoped the job right.

01:55:11 17 MS. SCHALMAN-BERGEN: Q. And is one of the

01:55:12 18 reasons for the range to make sure there is equity

01:55:14 19 between employees' salaries performing similar jobs?

01:55:17 20 MR. RILEY: Object to the form of the question.

01:55:19 21 THE WITNESS: I don't know if it's equity or

01:55:21 22 not. What I really know is, though, that when we do

01:55:23 23 this, it's really to make sure that we have competitive

01:55:26 24 salaries, because that's one of the things we want to

01:55:28 25 make sure is that when people do look at jobs at other

01:55:32 1 places, again, those type of things are okay so we can  
01:55:37 2 hire the candidates we want.

01:55:38 3 MS. SCHALMAN-BERGEN: Q. Describe to me  
01:55:39 4 what you mean by "competitive salaries."

01:55:41 5 A. That if somebody is doing a type of job at one  
01:55:43 6 company, say, again, you know, it's a director job of  
01:55:46 7 product marketing, and then they go to another director  
01:55:48 8 job of product marketing, that there is enough range in  
01:55:53 9 there so that you can attract one person from one  
01:55:56 10 company to the other.

01:55:57 11 Q. So it's important for Apple to be pricing the  
01:56:01 12 job ranges at rates that are competitive with other  
01:56:04 13 companies that Apple may compete with for employees?

01:56:08 14 MR. RILEY: Object to the form.

01:56:09 15 THE WITNESS: I would just say that's one of  
01:56:11 16 the things. There may be other things that could factor  
01:56:13 17 into that in terms of how people -- how people in job  
01:56:16 18 classifications are priced.

01:56:19 19 MS. SCHALMAN-BERGEN: Q. But that is one  
01:56:20 20 of the things, yes?

01:56:22 21 MR. RILEY: Object to the form.

01:56:23 22 THE WITNESS: It could be one of them.

01:56:29 23 MS. SCHALMAN-BERGEN: Q. What other  
01:56:30 24 companies does Apple compete with for employees?

01:56:35 25 MR. RILEY: Object to the form.

01:56:40 1                   THE WITNESS: We look -- we look for the best  
01:56:43 2 candidates we can find. And so I wouldn't necessarily  
01:56:47 3 say that we're competing with people. I think we're all  
01:56:49 4 there trying to get the best candidates. And so, again,  
01:56:53 5 it depends upon if we have something that's attractive  
01:56:56 6 that people want to sign up for and join, versus them  
01:56:59 7 thinking something else is more attractive.

01:57:02 8                   MS. SCHALMAN-BERGEN: Q. When you said  
01:57:03 9 "competitive salaries," are there specific companies  
01:57:06 10 that Apple uses as a benchmark of what a competitive  
01:57:09 11 salary would be?

01:57:10 12                   A. I wouldn't know that.

01:57:23 13                   Q. If Apple doesn't use -- doesn't take into  
01:57:27 14 consideration competitive salaries, do you risk losing  
01:57:30 15 employees? Do you have a problem with retention?

01:57:33 16                   MR. RILEY: Objection. It's a multiple-part  
01:57:35 17 question. Object to the form.

01:57:37 18                   THE WITNESS: Yes. Can you break that down to  
01:57:39 19 one question first, please.

01:57:41 20                   MS. SCHALMAN-BERGEN: Q. If Apple doesn't  
01:57:42 21 take into consideration competitive salaries, do you  
01:57:44 22 risk losing employees?

01:57:47 23                   MR. RILEY: Object to the form.

01:57:51 24                   THE WITNESS: Again, when we take a look at --  
01:57:53 25 when we have an open position and we were looking for

01:57:55 1 people we'd like to hire, we want to make sure that we  
01:57:58 2 can make an offer that we can hire them.

01:58:03 3 MR. RILEY: Q. If Apple does not have  
01:58:05 4 competitive salaries, would you risk having a  
01:58:09 5 problem with retention?

01:58:11 6 MR. RILEY: Object to the form of the question.

01:58:13 7 Hypothetical.

01:58:19 8 THE WITNESS: No. I think it depends -- it's a  
01:58:21 9 case-by-case basis dependent upon the employee. I think  
01:58:25 10 everybody has -- you know, let's take my case in point.  
01:58:30 11 You asked me several times about whether or not I asked  
01:58:34 12 for compensation increases based on potential job offers  
01:58:37 13 and things like that. And it's just one of the things I  
01:58:40 14 think people put to consideration. That's just one of  
01:58:42 15 the -- that's one of the factors in retention.  
01:58:46 16 Retention is very, you know, it's complex because I  
01:58:48 17 think it's based on a lot of the individual.

01:58:50 18 MS. SCHALMAN-BERGEN: Q. Well, as a  
01:58:51 19 manager, you're kind of looking big picture at  
01:58:53 20 things. And so if, for example, Apple was paying  
01:58:58 21 well below market rate, would you be concerned that  
01:59:02 22 you might lose employees?

01:59:04 23 MR. RILEY: Object to the form of the question.

01:59:17 24 THE WITNESS: You know, it would just, again,  
01:59:18 25 be one of the factors. I think, again, retention is a

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2 Reporter licensed in the State of California, License  
3 No. 8249, hereby certify that the deponent was by me  
4 first duly sworn and the foregoing testimony was  
5 reported by me and was thereafter transcribed with  
6 computer-aided transcription; that the foregoing is a  
7 full, complete, and true record of said proceedings.

8                   I further certify that I am not of counsel or  
9 attorney for either of any of the parties in the  
10 foregoing proceeding and caption named or in any way  
11 interested in the outcome of the cause in said caption.

12                   The dismantling, unsealing, or unbinding of  
13 the original transcript will render the reporter's  
14 certificates null and void.

15                   In witness whereof, I have hereunto set my  
16 hand this day: March 11, 2013.

17                   \_\_\_\_ Reading and Signing was requested.

18                   \_\_\_\_ Reading and Signing was waived.

19                   \_\_\_\_ X \_\_\_\_ Reading and signing was not requested.

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